



Implementation of Clean Water State Revolving Fund and Drinking Water State Revolving Fund Capitalization Grants under the American Recovery and Reinvestment Act of 2009

Texas Water Development Board
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Overview

- I. Recap of TWDB's ARRA Funding
- II. ARRA Team Structure
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 - DWSRF
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ARRA Funding

ALLOTMENTS	CWSRF	DWSRF	TOTALS
Texas Allotments	\$ 180,931,600	\$ 160,656,000	\$ 341,587,600
604(b) Funds	(1,809,700)	-	\$ (1,809,700)
	\$ 179,121,900	\$ 160,656,000	\$ 339,777,900
Program Funding			
Allotment	\$ 179,121,900	\$ 160,656,000	\$ 339,777,900
TWDB Administration (4%)	(7,164,876)	(6,426,240)	\$ (13,591,116)
	\$ 171,957,024	\$ 154,229,760	\$ 326,186,784
Project Funding Components			
50% Add'l Subsidy (Min.)	\$ 89,560,950	\$ 80,328,000	\$ 169,888,950
20% Green Projects	35,824,380	32,131,200	\$ 67,955,580
Estimated Remainder of Projects*	\$ 46,571,694	\$ 41,770,560	\$ 88,342,254
Total – Project Funds	\$ 171,957,024	\$ 154,229,760	\$ 326,186,784

* Estimated amounts as Green projects may also be designated under Additional Subsidy amounts which would then impact the amount of remaining funds for projects.

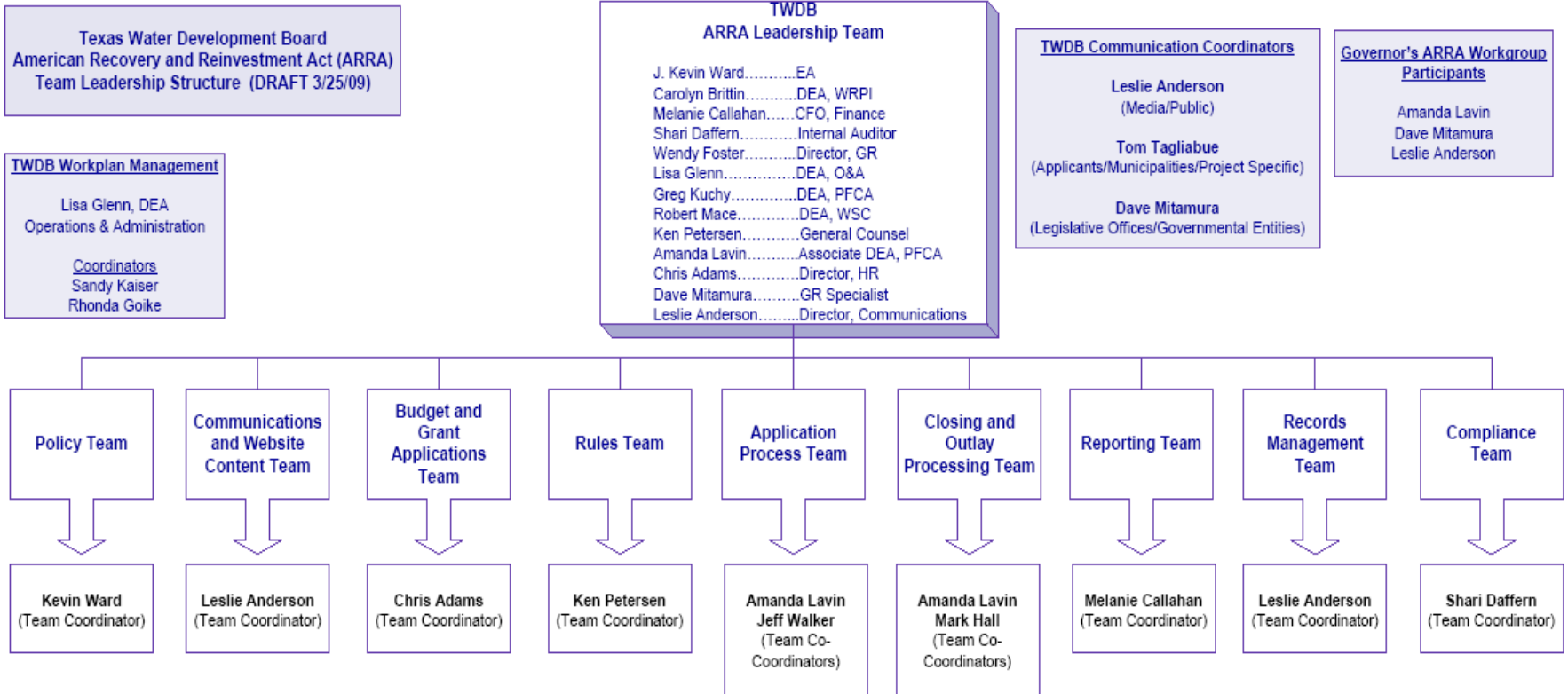


ARRA Funding – “Oversubscribed”

ALLOTMENTS	CWSRF	DWSRF	TOTALS
Total – Project Funds	\$ 171,957,024	\$ 154,229,760	\$ 326,186,784
Number of Projects on Comprehensive ARRA List	686	735	
Total Funds listed on Comprehensive ARRA List	\$5.6 Billion	\$5.1 Billion	



TWDB/ARRA Team Structure





Communications

- Logged in approximately 650 phone calls not including media calls, legislative calls, etc.
- Received over 75 letters and emails regarding potential projects.
- Weekly EPA Region 6 SRF ARRA conference calls.
- Weekly EPA State Directors conference calls.
- Bi-weekly Governor's Work Group Meetings.
- Daily email updates to the Governor.
- Participating in various presentations that include ARRA information.



CWSRF Timeline

DATE	MILESTONES
March 2009	<ul style="list-style-type: none">• Board Presentation• Incorporate all Board decisions & EPA requirements• Conduct surveys• CWSRF grant application and IUP preparation starts
April 2009	<ul style="list-style-type: none">• Submit IUP Public Notice to Texas Register• Survey results compiled• Staff completes Green analysis• Complete CWSRF Draft IUP by applying quality controls on the data• Grant Application & Draft IUP are completed• IUP Public Notice published in Texas Register• Place IUP on ARRA Website & formally mail to entire List for comment• Submit ARRA Grant Application with Draft IUP to EPA for review



CWSRF Timeline (cont.)

DATE	MILESTONES
May 2009	<ul style="list-style-type: none">• IUP Public Hearing• Conditional ARRA Grant Award will be approved by EPA• IUP considered for approval at Board meeting• Submit adopted Final IUP to EPA• EPA considers approval of ARRA Grant Award and IUP
June 2009	<ul style="list-style-type: none">• Invite eligible applicants above the funding line
September 2009	<ul style="list-style-type: none">• Board begins approval of commitments of ARRA applications• Entities begin advertising for bids on construction projects
January 2010	<ul style="list-style-type: none">• Entities award contracts and begin construction
February 2010	<ul style="list-style-type: none">• All projects on ARRA IUP List awarded and under contract or construction



DWSRF Timeline

DATE	MILESTONES
March 2009	<ul style="list-style-type: none">• Board Presentation• Incorporate all Board decisions & EPA requirements• DWSRF grant application and IUP preparation starts
April 2009	<ul style="list-style-type: none">• TCEQ completes rating/ranking & delivers to TWDB• Submit IUP Public Notice to Texas Register• Complete DWSRF rating/ranking by TWDB staff by applying quality control on data• Conduct surveys• Survey results compiled



DWSRF Timeline (cont'd)

DATE	MILESTONES
May 2009	<ul style="list-style-type: none">• IUP Public Notice published in Texas Register• Staff completes Green analysis• Complete Draft IUP by applying quality controls on the data• ARRA Grant Application & Draft IUP are completed• Place IUP on ARRA Website & formally mail to entire List for comment• Submit ARRA Grant Application with Draft IUP to EPA for review• Conduct IUP Public Hearing
June 2009	<ul style="list-style-type: none">• Conditional ARRA Grant Award approved by EPA• Board considers approval of IUP• Submit adopted Final IUP to EPA• EPA now approves ARRA Grant Award and IUP



DWSRF Timeline (cont'd)

DATE	MILESTONES
July 2009	<ul style="list-style-type: none">• Invite eligible applicants above the funding line
October 2009	<ul style="list-style-type: none">• Board approves commitments for the first ARRA applications• Entities begin advertising for bids on construction projects
January 2010	<ul style="list-style-type: none">• Entities award contracts and begin construction
February 2010	<ul style="list-style-type: none">• All projects on ARRA IUP List awarded and under contract or construction



Staff Recommendations

- Comments and Suggestions
- **Requesting Board Approval** for Policies to be included in implementation of ARRA



Recommendations

1. Pending adoption of Chapter 371 and 375 rule revisions will result in flexibility to adapt to the identified ARRA provisions and EPA guidance documents. Assuming final adoption by the Board, rules will be final 4/17/09 after filing with Secretary of State. Rules will provide sufficient flexibility to comply with anticipated grant requirements with board approval.
 - Staff recommends incorporating ARRA requirements into the program process.



Recommendations (continued)

2. Staff recommends that TWDB not offer potential customers the opportunity to refinance their debt. Both programs are oversubscribed and refinancing existing debt does not directly create additional jobs.



Recommendations (continued)

3. Staff recommends that the definition of projects eligible for “Green” funds be defined by *EPA Final Guidelines for Administering State Revolving Capitalization Grants*.



Recommendations (continued)

4. Staff recommends that projects eligible for inclusion on the ARRA IUP Comprehensive Project Lists be defined as those:
 - listed on SFY 2009 IUP that are not closed, and
 - those submitted on time for the SFY 2010 IUP.



Recommendations (continued)

5. Staff recommends projects to be ranked consistent with existing Board rules with a requirement that projects are ready to proceed to contract or into construction within 12 months of the date of enactment of ARRA.



Recommendations (continued)

6. Staff recommends that the ranking process give preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of ARRA funds for activities that can be initiated not later 120 days after the date of the enactment of ARRA (June 17, 2009).



Recommendations (continued)

7. Staff recommends that a survey be used to verify that projects are ready to proceed and to provide information for determination of “Green” projects. The survey will be used for potential applicants above the funding line plus up to 20% of additional projects for consistency purposes.



Recommendations (continued)

8. Staff recommends that rankings utilize existing tie-breakers by Board rule, and newly identified tie-breakers: recipient cash match, a six-month delta of State unemployment data by County, and projects that serve military or Homeland Security installations.



Recommendations (continued)

9. Staff recommends limiting each entity to an amount equal to 30% of the capitalization grant. This is an existing limitation in the CWSRF but will be new to the DWSRF.



Recommendations (continued)

10. Staff recommends the amount of the capitalization grant that is required to be provided as at least 50% in “Additional Subsidization” be:

- Limited to 50%
- Offered as Grants.



Recommendations (continued)

11. Staff recommends projects eligible for the 50% in “Additional Subsidization” funds be defined by existing Board rules as “disadvantaged communities.”



Recommendations (continued)

12. Staff recommends the amount of the capitalization grant that is required to be provided as at least 20% to “Green” projects be:

- Offered at 0% interest loans and as defined by board rules, or as
- Grants if the applicant meets disadvantaged criteria.



Recommendations (continued)

13. Staff recommends all remaining ARRA funds that are not defined as disadvantaged or “Green,” be offered at 0% interest loans and as defined by board rules.

Additional Board Considerations or Recommendations?

Please visit the Texas Water Development Board's website
for additional information on the
American Recovery and Reinvestment Act of 2009

<http://www.twdb.state.tx.us/stimulus/index.htm>



GOVERNMENT RELATIONS

- ❖ 13 ARRA related bills filed
- ❖ Relevant committees:
 - House Appropriations
 - House Natural Resources
 - House State Affairs
- ❖ Subcommittees:
 - House Select Committee on Federal Economic Stabilization Funding
 - 17 hearings
 - TWDB testified on February 26, 2009
 - House Appropriations: S/C on Stimulus